

PETER C. ANDERSON
UNITED STATES TRUSTEE
JILL M. STURTEVANT, State Bar No. 089395
ASSISTANT UNITED STATES TRUSTEE
ERYK R. ESCOBAR, State Bar No. 281904
TRIAL ATTORNEY
OFFICE OF THE UNITED STATES TRUSTEE
915 Wilshire Blvd., Suite 1850
Los Angeles, California 90017
(202) 934-4168 telephone
(213) 894-2603 facsimile
Email: eryk.r.escobar@usdoj.gov

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:

COLDWATER DEVELOPMENT, LLC,
a California limited liability company,

Debtor and Debtor-in-
Possession.

Lead Case No.: 2:21-bk-10335-BB

Chapter 11

Jointly Administered with

Case No.: 2:21-bk-10336-BB

In re:

LYDDA LUD, LLC, a California limited
liability company,

Debtor and Debtor-in-
Possession.

**UNITED STATES TRUSTEE'S
APPLICATION FOR ORDER APPROVING
APPOINTMENT OF CHAPTER 11
TRUSTEE AND FIXING BOND**

☒ Affects both Debtors

☐ Affects the following Debtors:

The United States Trustee (the "U.S. Trustee") hereby applies to the Court, pursuant to Federal Rule of Bankruptcy Procedure 2007.1, for an Order Approving Appointment of Trustee and Fixing Bond (the "Application"), and in support thereof states:

1 1. The U.S. Trustee has appointed Sam Leslie as the Chapter 11 Trustee (the “Trustee”)
2 in the above-referenced case pursuant to this Court’s *Order Regarding (I) Continuation of Status*
3 *Hearings; (II) Transfer of Funds to be Held in Trust; and (III) Appointment of Chapter 11 Trustee*
4 [Dkt. No. 187] entered on November 30, 2021. *See* Exhibit A (court order).

5 2. The U.S. Trustee has consulted with the following parties in interest regarding the
6 appointment of a Chapter 11 Trustee: 1) Aram Ordubegian attorney for the debtor; 2) Daniel Lev
7 on behalf of Give Back, LLC; 3) William Lobel on behalf of Mohamed Hadid; and 4) Jesse
8 Finlayson on behalf of Sahara Construction Co., Inc.

9 3. To the best of the U.S. Trustee’s knowledge, the Trustee’s connections with the
10 debtor, creditors, any other parties in interest, their respective attorneys and accountants, the U.S.
11 Trustee, and persons employed in the Office of the United States Trustee are limited to the
12 connections set forth in the Trustee’s attached verified statement. *See* Exhibit B (declaration of
13 disinterestedness).

14 WHEREFORE, the U.S. Trustee requests the Court enter an order approving the
15 appointment of Sam Leslie as the Chapter 11 Trustee in the above-referenced case and fixing the
16 Trustee’s individual bond at \$2,500,000.00, unless and until such time as the estate funds on hand
17 require an additional bond.

18 Dated: December 7, 2021

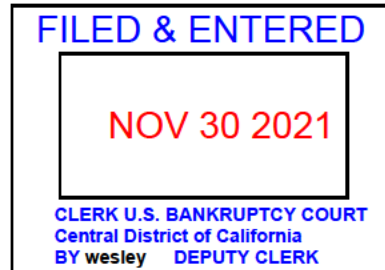
PETER C. ANDERSON
UNITED STATES TRUSTEE

21 /s/ Eryk R. Escobar

22 By: Eryk R. Escobar
23 Attorney for United States Trustee
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EXHIBIT A

Aram Ordubegian (SBN 185142)
M. Douglas Flahaut (SBN 245558)
Annie Y. Stoops (SBN 286325)
ARENT FOX LLP
555 West Fifth Street, 48th Floor
Los Angeles, CA 90013-1065
Telephone: 213.629.7400
Facsimile: 213.629.7401
aram.ordubegian@arentfox.com
douglas.flahaut@arentfox.com
annie.stoops@arentfox.com



General Bankruptcy and Restructuring Counsel
for Debtor and Debtor-in-Possession

CHANGES MADE BY COURT

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

In re

COLDWATER DEVELOPMENT LLC,
a California limited liability company,

Debtor and Debtor-in-Possession.

Lead Case No.: 2:21-bk-10335-BB

Chapter 11

Jointly Administered with
Case No.: 2:21-bk-10336-BB

In re

LYDDA LUD, LLC, a California limited
liability company,

Debtor and Debtor-in-Possession.

**ORDER REGARDING (I)
CONTINUATION OF STATUS
HEARINGS; (II) TRANSFER OF
FUNDS TO BE HELD IN TRUST; AND
(III) APPOINTMENT OF CHAPTER 11
TRUSTEE**

Hearing

Date: November 30, 2021
Time: 10:00 a.m.
Place: 255 East Temple Street
Courtroom 1539
Los Angeles, CA 90012

☒ Affects both Debtors.
☐ Affects Coldwater Development LLC
only.
☐ Affects Lydda Lud, LLC only

Continued Hearing

Date: December 8, 2021
Time: 11:00 a.m.
Place: 255 East Temple Street
Courtroom 1539
Los Angeles, CA 90012

Debtors and Debtors-in-Possession.

On November 30, 2021, the Court held status hearings on (i) the Debtors' *First Amended Motion for an Order (1) Authorizing Bidding Procedures for Coldwater Development LLC's Two Lots; (2) Approving the Sale of Property Under 11 U.S.C. § 363 Free and Clear of Liens, Claims, and Encumbrances, Subject to Higher and Better Offers; and (3) Approving the Form and Manner of Notice, or Alternatively (1) Authorizing Bidding Procedures for the Debtors' Six Lots; (2) Approving the Sale of Property Under 11 U.S.C. § 363 Free and Clear of Liens, Claims, and Encumbrances, Subject to Higher and Better Offers; and (3) Approving the Form and Manner of Notice* [Dkt. No. 95] ("Amended Sale Motion"), (ii) Give Back, LLC's ("Give Back") Motion for Relief from the Automatic Stay ("RFS Motion") [Dkt. No. 59], and (iii) the scheduling and case management of the Debtors' chapter 11 cases. Appearances are reflected on the record.

After review and consideration of the Amended Sale Motion and RFS Motion; all other documents filed in support of or in opposition to the Amended Sale Motion and RFS Motion; the record in the above-captioned case; and the various arguments and statements made at the hearing, and for other good cause appearing,

IT IS HEREBY ORDERED that:

1. The status hearings on the Debtors' Amended Sale Motion, Give Back's RFS Motion, and the case management of the Debtors' chapter 11 cases are continued to **December 8, 2021 at 11 a.m. (Pacific Standard Time)**.

2. **By no later than 5:00 p.m. (Pacific Standard Time) on the later of (a) December 1, 2021 or (b) the business day following entry of this Order**, Debtor Coldwater Development LLC is directed to transfer the entire balance of \$1,500,070.00 held in DIP Account No. Ending in 8110 to the Debtors' counsel, Arent Fox LLP, to be held in trust pending appointment of the chapter 11 trustee in these chapter 11 cases.

3. If Sahara Construction Co., Inc. ("Sahara") remains interested in purchasing the Debtors' Six Lots, then **by no later than 5:00 p.m. PST on the later of (a) December 6, 2021 or (b) the business day following entry of this Order**, Sahara shall provide an additional good faith deposit of \$1.5 million – totaling a \$3 million deposit – to be held in trust by the Debtors' counsel, Arent Fox LLP, pending the appointment of the chapter 11 trustee. Disposition of the \$3 million

1 deposit shall be in accordance with the terms and conditions set forth in the fully-executed purchase
2 and sale agreement between Sahara **and the chapter 11 trustee appointed in these cases (the**
3 **“Trustee”)**. Until and unless there is a fully-executed purchase and sale agreement between Sahara
4 **and the Trustee** providing for different treatment of the deposit, the good faith deposit of \$3
5 million provided by Sahara shall be returned to Sahara in full within two (2) business days after the
6 receipt by counsel for the Debtors **(or the Trustee, if the funds have been transferred to the**
7 **Trustee pursuant to paragraph 4 hereof)** of Sahara’s written demand for such return.

8 4. A chapter 11 trustee shall be appointed in both of the Debtors’ jointly-administered
9 chapter 11 cases effective immediately. Upon appointment of the chapter 11 trustee, Arent Fox
10 LLP is authorized **and directed** to transfer (a) the deposit provided by Sahara and (b) the DIP
11 balance of \$1,500,070.00 pursuant to the chapter 11 trustee’s direction and written instructions.

12 5. This Order shall be binding and enforceable against any trustee, examiner, or other
13 estate representative appointed in the Debtors’ chapter 11 cases or in any converted cases.

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24 Date: November 30, 2021

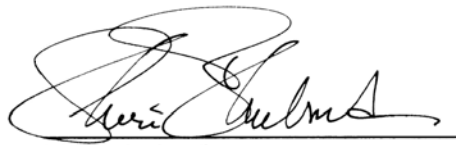
25 
26 Sheri Bluebond
27 United States Bankruptcy Judge
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EXHIBIT B

SAM S. LESLIE, CPA
1130 S. Flower Street
Suite 312
Los Angeles, CA 90015
Telephone: 323/987-5780
Facsimile: 323/987-5763
Email: trustee@trusteeleslie.com

Chapter 11 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re) Lead Case No.: 2:21-bk-10335-BB

COLDWATER DEVELOPMENT LLC,) Chapter 11
a California limited liability)
company,) [Jointly Administered with Case No.
2:21-bk-10336-BB]

Debtor and Debtor-in-Possession.

DECLARATION OF DISINTERESTED-
NESS OF SAM S. LESLIE,
PROPOSED CHAPTER 11 TRUSTEE

In re

LYDDA LUD, LLC, a California) [No Hearing Required]
limited liability company,)

Debtor and Debtor-in-Possession.

[X] Affects both Debtors.

[] Affects Coldwater Development
LLC only.

[] Affects Lydda Lud, LLC only.

Debtors and Debtors-in-Possession.

1 I, Sam S. Leslie, declare as follows:

2 1. I am the proposed Chapter 11 Trustee of the above-
3 entitled case. The following testimony is within my personal knowledge and
4 if called to testify, I could and would competently testify thereto.

5 2. I have been nominated as the Chapter 11 Trustee in the above-
6 captioned case.

7 3. I meet the criteria set forth in 11 U.S.C. § 321 in that I have an
8 office in the judicial district in which this case is pending. My office is
9 located at 1130 S. Flower Street, Suite 312, Los Angeles, CA 90015.
10 Furthermore, I have not served as an examiner in this case.

11 4. I have complied with the requirement of 11 U.S.C. § 322 as I
12 have filed a bond with the Bankruptcy Court of the United States that is
13 conditioned on my faithful performance of my official duties.

14 5. I am managing partner of the firm LEA Accountancy, LLP, (the
15 "Firm"), an accountancy firm was an emphasis in matters before the United
16 States Bankruptcy Court. The members of the Firm has extensive experience
17 in bankruptcy, insolvency, corporate reorganization and debtor/creditor law.

18 6. I am familiar with the Bankruptcy Code, the Federal Rules of
19 Bankruptcy Procedure and the Local Bankruptcy Rules and shall comply with
20 them during the administration of this case.

21 7. I hereby verify that I have no connections with the debtor(s),
22 creditors, any other parties in interest, their respective attorneys and
23 accountants, the United States Trustee, or any person employed in the
24 Office of the United States Trustee. I have reviewed the schedules,
25 statements, and docket and do not have any conflicts.

26 8. To the best of my knowledge, neither my firm nor I hold any
27 interest materially adverse with the Debtor, the Debtor's attorneys or

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1 accountants, the Debtor's creditors, nor any other party in interest, nor their
2 respective attorneys or accountants. If additional information comes to my
3 attention that changes these facts, I will advise the Court and the United
4 States Trustee immediately.

5 I declare under penalty of perjury under the laws of the United States
6 of America that the above is true and correct.

7 Executed this 6th day of December 2021, at Palm Springs, California.

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10 Sam S. Leslie
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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 915 Wilshire Blvd., Suite 1850, Los Angeles, CA 90017.

A true and correct copy of the foregoing document entitled: **UNITED STATES TRUSTEE'S APPLICATION FOR ORDER APPROVING APPOINTMENT OF CHAPTER 11 TRUSTEE AND FIXING BOND** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On 12/07/2021, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Eryk R Escobar** eryk.r.escobar@usdoj.gov
- **M Douglas Flahaut** flahaut.douglas@arentfox.com
- **Eric J Fromme** efromme@tocounsel.com, stena@tocounsel.com
- **Asa S Hami** ahami@sulmeyerlaw.com, pdillamar@sulmeyerlaw.com; pdillamar@ecf.inforuptcy.com; cblair@sulmeyerlaw.com; ahami@ecf.inforuptcy.com
- **Christopher J Harney** charney@tocounsel.com, stena@tocounsel.com
- **Sam S Leslie (TR)** sleslie@trusteeleslie.com, trustee@trusteeleslie.com; C195@ecfcbis.com
- **Daniel A Lev** dlev@sulmeyerlaw.com, ccaldwell@sulmeyerlaw.com; dlev@ecf.inforuptcy.com
- **William N Lobel** wlobel@tocounsel.com, jokeefe@tocounsel.com; sschuster@tocounsel.com
- **Aram Ordubegian** ordubegian.aram@arentfox.com
- **Ronald N Richards** ron@ronaldrichards.com, morani@ronaldrichards.com
- **Annie Y Stoops** annie.stoops@arentfox.com, yvonne.li@arentfox.com
- **United States Trustee (LA)** ustpreion16.la.ecf@usdoj.gov
- **Dylan J Yamamoto** dylan.yamamoto@arentfox.com
- **Robert M Yaspan** court@yaspanlaw.com, tmenachian@yaspanlaw.com

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On (date) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

12/07/2021
Date

Eryk R. Escobar
Printed Name

/s/ Eryk R. Escobar
Signature